

105th Congress, 1st Session - - - - - House Document 105-157

CANCELLATION OF DOLLAR AMOUNTS OF
DISCRETIONARY BUDGET AUTHORITY

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT CANCELLING THE DOLLAR AMOUNTS OF DISCRETIONARY BUDGET AUTHORITY CONTAINED IN THE ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1998, PURSUANT TO PUB. L. 104-130, SEC. 2(c) (110 STAT. 1201)



OCTOBER 21, 1997.—Message and accompanying papers referred to the Committees on the Budget and Appropriations, and ordered to be printed

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WASHINGTON : 1997

THE WHITE HOUSE,
Washington, October 17, 1997.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: In accordance with the Line Item Veto Act, I hereby cancel the dollar amounts of discretionary budget authority, as specified in the attached reports, contained in the "Energy and Water Development Appropriations Act, 1998" (H.R. 2203, approved October 13, 1997). I have determined that the cancellation of these amounts will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest. This letter, together with its attachments, constitutes a special message under section 1022 of the Congressional Budget and Impoundment Control Act of 1974, as amended.

Sincerely,

WILLIAM J. CLINTON.

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Energy and Water Development Appropriations Act, 1998" (H.R. 2203)

1(A). Dollar Amount of Discretionary Budget Authority: \$3,500 thousand for Lake George, Hobart, Indiana on pages 3 and 54 of House Report 105-271, dated September 26, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C), (E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing Upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: The Lake George, Hobart, Indiana, project, which would require total Federal funding of \$3.5 million, would have the Army Corps of Engineers fund dredging and construction of sediment traps to reduce further sediment build-up of a recreation lake owned and operated by the City of Hobart. This Administration and previous Administrations have given low priority to Corps participation in projects whose primary benefits are local recreation. Generally, the Corps will build cost-shared recreation facilities only if it is a relatively small part of a Federal project that focuses on one or more of the Corps' primary missions (e.g., flood control, navigation). Since the primary purpose of this project is to enhance local recreation opportunities at a non-Federal lake, it should be undertaken by local interests.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-2,100	-1,400	----	----	----	-3,500

1(F). Adjustments to Non-Defense Discretionary Spending Limits:
Budget authority: -\$3,500 thousand in FY 1998
Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Army Corps of Engineers

2(A). Bureau: n/a

2(A). Governmental Function/Project (Account): Dredging of Lake George, Hobart, Indiana
(Construction, General)

2(B). States and Congressional Districts Affected: Indiana, 1st Congressional District

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State and
District identified above:** Indiana: three; 1st District: one

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Energy and Water Development Appropriations Act, 1998" (H.R. 2203)

1(A). Dollar Amount of Discretionary Budget Authority: \$800 thousand for Neabsco Creek, Virginia, on page 56 of House Report 105-271, dated September 26, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C), (E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing Upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: The Neabsco Creek Flood Control Project, Prince William County, Virginia, which would require total Federal funding of over \$1 million, would have the Army Corps of Engineers remove creek debris and accumulated sediment from the channel of Neabsco Creek. The Corps of Engineers previously conducted studies under two of its program authorities (Sections 205 and 208) to determine whether a project could be developed that is technically and economically feasible, environmentally acceptable, and is consistent with Administration policies. Both studies concluded that no economically justified project could be developed for this area. In fact, the studies concluded that the Federal investment would return less than 50 cents on the dollar (national benefit - cost ratio of less than 0.5 to 1.0). The Administration previously informed Congress that it opposed authorization of this project during Congressional consideration of the Water Resources Development Act of 1996.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

<u>Outlay Changes (in thousands of dollars)</u>					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-480	-320	-----	-----	-----	-800

1(F). Adjustments to Non-Defense Discretionary Spending Limits:
Budget authority: -\$800 thousand in FY 1998
Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Army Corps of Engineers

2(A). Bureau: n/a

2(A). Governmental Function/Project (Account): Removal of debris and sediment from the channel of Neabsco Creek, Virginia (Construction, General)

2(B). States and Congressional Districts Affected: Virginia, 11th Congressional District

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Virginia: four; 11th District: one

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Energy and Water Development Appropriations Act, 1998" (H.R. 2203)

1(A). Dollar Amount of Discretionary Budget Authority: \$1,900 thousand for Sardis Lake (Shady Cove Marina), Yazoo Basin, Mississippi, on pages 6, 34, and 58 of House Report 105-271, dated September 26, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C), (E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing Upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: The Sardis Lake, Mississippi, project, which would require an estimated total Federal funding of \$4 million (\$2.1 million was appropriated in FY 1997), would have the Army Corps of Engineers dredge at full Federal expense a section of Sardis Lake to create a marina basin for leisure craft and recreational opportunities. This Administration and previous Administrations have given low priority to Corps participation in projects whose primary benefits are local recreation. Generally, the Corps will build cost-shared recreation facilities only if it is a relatively small part of a project that focuses on one or more of the Corps' primary missions (e.g., flood control, commercial navigation). Since the primary purpose of this project is to enhance local recreation navigation, it should be undertaken by local interests.

Furthermore, it is premature to begin construction of this project. The Army Corps of Engineers has not completed the normal project planning and review process applied to all such projects to determine whether the project is technically and economically feasible, environmentally acceptable, and is consistent with Administration policies. Completing this process helps ensure that Federal funds are used only to construct projects that generate a positive economic return to the Nation and meet all environmental requirements.

Finally, this project has not been subject to the normal Congressional hearing and authorization process.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-1,425	-475	-----	-----	-----	-1,900

1(F). Adjustments to Non-Defense Discretionary Spending Limits:**Budget authority:** -\$1,900 thousand in FY 1998**Outlays:** The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Army Corps of Engineers**2(A). Bureau:** n/a

2(A). Governmental Function/Project (Account): Dredging of section of Sardis Lake, Mississippi (Flood Control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee)

2(B). States and Congressional Districts Affected: Mississippi, 1st and 4th Congressional Districts

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Mississippi: one; 1st District: one; 4th District: one

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Energy and Water Development Appropriations Act, 1998" (H.R. 2203)

1(A). Dollar Amount of Discretionary Budget Authority: \$800 thousand for Chena River Dredging, Fairbanks, Alaska on page 7, 35, and 58 of House Report 105-271, dated September 26, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C), (E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing Upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: The Chena River Dredging, Fairbanks, Alaska, project, which would require total Federal funding of \$800 thousand, would have the Army Corps of Engineers dredge at full Federal expense a recreation channel for use by a single tour boat operator. There is no authorized Army Corps of Engineers navigation project in the area. This Administration and previous Administrations have given low priority to Corps participation in projects whose primary benefits are local recreation. Generally, the Corps will participate in a recreation features only if it is a relatively small part of a project that focuses on one or more of the Corps' primary missions (e.g., flood control, commercial navigation). Since the primary purpose of this project is to enhance local recreation navigation, it should be undertaken by local interests. In addition, it is premature to begin construction of this project. This project has not completed the normal Corps of Engineers project planning and review process applied to all Corps projects to determine whether the project is technically and economically feasible, environmentally acceptable, and is consistent with Administration policies. Completing this process helps ensure that Federal funds are used only to construct projects that generate a positive economic return to the Nation and meet all environmental requirements.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-480	-320	-----	-----	-----	- 800

1(F). Adjustments to Non-Defense Discretionary Spending Limits:
Budget authority: -\$800 thousand in FY 1998
Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Army Corps of Engineers

2(A). Bureau: n/a

2(A). Governmental Function/Project (Account): Dredging of channel on Chena River, Fairbanks, Alaska (Operation and Maintenance, General)

2(B). States and Congressional Districts Affected: Alaska, Representative At Large

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Alaska: one

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Energy and Water Development Appropriations Act, 1998" (H.R. 2203)

1(A). Dollar Amount of Discretionary Budget Authority: \$6,000 thousand for Allegheny River (Kittanning Riverfront Park), Pennsylvania, on pages 7, 35, and 65 of House Report 105-271, dated September 26, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C), (E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing Upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: The Allegheny River (Kittanning River Front Park), Pennsylvania, project, which would require total Federal funding of \$6 million, would have the Army Corps of Engineers dredge at full Federal expense a new recreation channel to allow passenger boat operators access to Kittanning Riverfront Park. There is no Federal channel there now. This Administration and previous Administrations have given low priority to Corps participation in projects whose primary benefits are local recreation. Generally, the Corps will build cost-shared recreation facilities only if it is a relatively small part of a Federal project that focuses on one or more of the Corps' primary missions (e.g., flood control, commercial navigation). Since the primary purpose of this project is to enhance local recreation navigation separable from the existing Federal channel, it should be undertaken by local interests. Further, it is premature to fund construction of this project. This project has not completed the normal Corps of Engineers project planning and review process applied to all Corps projects to determine whether the project is technically and economically feasible, environmentally acceptable, and is consistent with Administration policies. Completing this process helps ensure that Federal funds are used only to construct projects that generate a positive economic return to the Nation and meet all environmental requirements.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-3,600	-2,400	-----	-----	-----	-6,000

1(F). Adjustments to Non-Defense Discretionary Spending Limits:
Budget authority: -\$6,000 thousand in FY 1998
Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Army Corps of Engineers

2(A). Bureau: n/a

2(A). Governmental Function/Project (Account): Dredging of channel on Allegheny River, Pennsylvania (Operation and Maintenance, General)

2(B). States and Congressional Districts Affected: Pennsylvania, 12th Congressional District

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Pennsylvania: four; 12th District: three

Cancellation No. 97-62

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Energy and Water Development Appropriations Act, 1998" (H.R. 2203)

1(A). Dollar Amount of Discretionary Budget Authority: \$ 1,000 thousand and \$300 thousand, In-situ Copper Mining Research Project, on page 69 of House Report 105-271, dated September 26, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C). (E). Reasons for Cancellation: Facts, Circumstances, and Considerations Relating to or Bearing Upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: The purpose of this project has been to demonstrate the technical, economic, and environmental feasibility of in-place recovery of low-grade, copper oxide material. The total cost to date of this demonstration project, which was initially funded in FY 1988 as a Bureau of Mines research project, is \$31.7 million. Federal funding to date totals \$26.5 million, including \$16.8 million for contract work with the private partners and \$9.7 million for in-house Federal research.

Federal funding of this demonstration effort is no longer justified. The demonstration facility began operations in February 1996 and test data have been furnished to the Bureau of Reclamation since that time and will continue to be furnished from tests conducted prior to close-out. The FY 1996 appropriation for the Bureau of Mines included funds to close out the In-situ Copper Mining demonstration project. The Bureau of Reclamation assumed oversight responsibility for close out of this project in February 1996. Additional funding beyond FY 1996 was not needed to complete this orderly close out and was not requested in either the President's FY 1997 or FY 1998 Budgets, although Congress added funds in both years. The private cost-sharing partners will keep the \$5 million demonstration facility after close-out and can continue the demonstration effort if they believe it is warranted.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-1,053	-247	----	----	----	-1,300

1(F). Adjustments to Non-Defense Discretionary Spending Limits:

Budget authority: -\$1,300 thousand in FY 1998
Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of the Interior

2(A). Bureau: Bureau of Reclamation

2(A). Governmental Function/Project (Account): In-situ Copper Mining Research Project, Applied Science and Technology Development Program (Water and Related Resources)

2(B). States and Congressional Districts Affected: Arizona, 5th and 6th Congressional Districts

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Arizona: one; 5th District: one; 6th District: one

Cancellation No. 97-63

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: Energy and Water Development Appropriations Act, 1998 (H.R. 2203)

1(A). Dollar Amount of Discretionary Budget Authority: \$1,000 thousand for a research and development partnership to manufacture electric transmission lines using aluminum matrix composite materials on page 82 of House Report 105-271, dated September 26, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C), (E): Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing Upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: The provisions would start a program to fund cost-shared development of high-voltage power cables that use aluminum matrix composites (ceramic fibers glued together with aluminum) for the support member rather than steel as is the current practice. This would provide first-year funding for a program that has been proposed by a private consortium of manufacturing companies and utilities. Materials previously provided to the Department of Energy by the consortium indicated that this would be a 4-year program with a total estimated Federal cost of \$15 million, so most of the program costs would be incurred in FY 1999-2001.

There is substantial private-sector incentive to engage in this development, and a Federal subsidy is unnecessary. The Department of Energy eliminated their electric transmission-line R&D program several years ago, so cancellation of these funds would have no effect on on-going programs at the Department of Energy.

1(D): Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of this cancellation, Federal outlays will not increase, as specified below. Future outlays of \$14 million may also potentially be avoided. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

<u>Outlay Changes (in thousands of dollars)</u>					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-450	-400	-----	-----	-----	-1,000

- Z(A). Agency:** Department of Energy
Bureau: Energy Efficiency and Renewable Energy
Governmental Function/Project Account: Energy/Solar and Renewable Energy/
Electric Energy Systems (Energy Supply)
- 2(B). States and Congressional Districts Affected:** Minnesota, 5th Congressional District.
- 2(C). Total Number of Cancellations (Inclusive) in Current Session in each State and District Indicated Above:** Minnesota: one; 5th District: one

Cancellation No. 97-64

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Energy and Water Development Appropriations Act, 1998" (H.R. 2203)

1(A). Dollar Amount of Discretionary Budget Authority (thousands): \$4,000 thousand for the Nuclear Regulatory Commission to license a multi-purpose canister design on page 13 of House Report 105-271, dated September 26, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C), (E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing Upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: The provision would require the Department of Energy (DOE) to provide the Nuclear Regulatory Commission (NRC) \$4 million to license a multi-purpose canister (MPC) design. Multi-purpose canisters are expected to be used for temporary storage, transportation, and permanent disposal of spent nuclear fuel (SNF) from commercial nuclear power plants and high level waste from the DOE nuclear weapons complex.

The provision is objectionable for two reasons. First, it constitutes an unwarranted corporate subsidy and would undermine current legal requirements that the NRC recover virtually 100 percent of its costs of operation through charging fees to licensees. The NRC currently awards Certificates of Compliance ("licenses" or "COCs") to canister designers on a cost-reimbursable basis, as required by law. Five of the six known spent fuel storage and transportation cask vendors in the United States have already submitted applications for certification for dual-purpose (as opposed to multi-purpose) canisters to the NRC and, in the absence of this provision, can expect to pay between \$400,000 and \$600,000 to NRC to complete the 2-3 year certification process for each application. (Dual purpose canisters can be used for temporary storage and transportation but not permanent disposal of spent nuclear fuel.)

Second, it will be impossible for the NRC to certify or license an MPC until the Federal government selects a permanent disposal site and the NRC agrees to the waste acceptance criteria for the disposal canisters to be placed at that site. Under current DOE plans, the Federal government will not decide on a permanent nuclear waste disposal site until at least 2001.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
----	----	----	-2,000	-2,000	-4,000

1(F). Adjustments to Non-Defense Discretionary Spending Limits:

Budget authority: -\$4,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Energy and Nuclear Regulatory Commission

2(A). Bureau: Department of Energy/Office of Civilian Radioactive Waste Management

2(A). Governmental Function/Project (Account): Nuclear Regulatory Commission multipurpose canister licensing (Nuclear Waste Disposal Fund)

2(B). States and Congressional Districts Affected: All

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: The provision would have had a national effect.

